

MINUTES
State Allocation Board
April 23, 2008

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 112 of the State Capitol in Sacramento, California on April 23, 2008 at 4:00 p.m.

Members of the Board present were as follows:

- Anne Sheehan, Chief Deputy Director, Policy, Department of Finance, designated alternate for Michael Genest, Director, Department of Finance (DOF)
- Will Semmes, Chief Deputy Director, Department of General Services, designated alternate for Will Bush, Director, Department of General Services
- Kathleen Moore, Director, School Facilities Planning Division, California Department of Education (CDE), designated representative for Jack O'Connell, Superintendent of Public Instruction
- Senator Bob Margett
- Senator Jack Scott
- Assembly Member Gene Mullin
- Assembly Member Jean Fuller
- Assembly Member Kevin de León

Members of the Board absent were as follows:

- Rosario Girard, President and CEO, Phoenix Construction Services, Inc., appointee of Arnold Schwarzenegger, Governor of the State of California
- Senator Joe Simitian

Representatives of the State Allocation Board (SAB) were as follows:

Rob Cook, Executive Officer
Mavonne Garrity, Assistant Executive Officer

Representative of the Department of General Services, Office of Public School Construction (OPSC), was as follows:

Rob Cook, Executive Officer

Representative of the Department of General Services, Office of Legal Services, was as follows:

Henry D. Nanjo, Senior Staff Counsel

With a quorum present, Anne Sheehan, Chair, called the meeting to order at 4:20 p.m.

PRIOR MINUTES

A motion was made and carried to approve the Minutes for the February 27, 2008 SAB meeting. A second motion was made and carried to approve the Minutes for the March 26, 2008 SAB meeting; however, Assembly Member Mullin abstained.

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer informed the Board of the following:

Material Inaccuracy Input

At the February 2008 SAB meeting, the Board requested that staff discuss material inaccuracy protections for data reported on the Project Information Worksheet and the Material Inaccuracy Report, at the SAB Implementation Committee meeting. The topics were discussed at the March and April 2008 SAB Implementation Committee meetings, and discussions will continue at the May SAB Implementation Committee meeting. An item will be presented to the Board once discussions at the SAB Implementation Committee meetings have concluded.

Charter School Facility Program Preliminary Apportionments

The Charter School Facility Program preliminary apportionment agenda item was indexed for the April 2008 SAB meeting and then withdrawn. However, staff continues to work with the California School Finance Authority to finalize the list of qualifying projects, and anticipates presenting the projects for funding at the May SAB meeting.

CONSENT ITEMS

In considering the Consent calendar, the Chair reminded the Board and audience that in accordance with the motion approved at the January 2008 SAB meeting, the new construction projects in the Consent Specials and in the Consent calendar will continue to remain open, contingent on the Board's action concerning grant adequacy. The Board approved the Consent calendar as presented.

FINANCIAL REPORTS***Status of Funds***

Ms. Carol Shellenberger, representing the SAB staff, presented the Status of Funds to the Board. The Board accepted the Status of Funds report as presented.

Financial Needs of the State Relocatable Classroom Program

This item was postponed until the May SAB meeting.

SPECIAL CONSENT ITEMS

Ms. Katrina Valentine, representing the SAB staff, presented the following items to the Board:

Deferred Maintenance Program Basic Grant Deposits

In considering this item, the Board approved the staff's recommendations.

SPECIAL CONSENT ITEMS (cont.)***Deferred Maintenance Program Maximum Basic Grant Deposit***

In considering this item, the Board accepted the report as presented.

School Facility Program Career Technical Education Facilities Program Projects

In considering this item, the Board approved the staff's recommendations.

Lake County Office of Education/Lake 51/10173-01-01

In considering this item, the Board approved the staff's recommendations.

Scotts Valley Unified/Santa Cruz 22/75432-00-004 and 58/75432-00-001

In considering this item, the Board approved the staff's recommendations.

Victor Valley Union High/San Bernardino 50/67934-00-004

In considering this item, the Board approved the staff's recommendation.

SPECIALS/APPEALS***Charter School Facility Program Preliminary Apportionment Approvals***

This item was postponed until the May SAB meeting.

Buellton Union Elementary/Santa Barbara 50/69138-00-002

The following individuals addressed the Board in support of Option B for the District:

- Ms. Susan Stuart, representing the Buellton Union Elementary School District;
- Mr. Tom Cooper, Superintendent of the District; and
- Mr. Stephen English, representing the Advancement Project.

The Chair requested a roll-call vote and the motion, which would approve Option B and direct staff to narrow the regulatory language so as not to set a precedent, failed per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett		X		
Senator Scott				X
Senator Simitian				X
Assembly Member Mullin	X			
Assembly Member Fuller	X			
Assembly Member de León	X			
Will Semmes		X		
Kathleen Moore	X			
Rosario Girard				X
Anne Sheehan		X		
Total	4	3		3

Motion:

Carried ____
Failed X

SPECIALS/APPEALS (cont.)

After further discussion, a motion was made and carried to approve Option A, which would defer 50 percent of the offset to be applied to a future School Facility Program new construction project. However, Senator Margett opposed the motion. In addition, staff will continue to work with the District to determine future eligibility based on potential dwelling units or through possible alternate projection methods and report back to the Board periodically. Further, the Board requested that funds be expedited to the District.

San Bernardino City Unified/San Bernardino 50/67876-00-000

Ms. Lisa Silverman, Mr. Jason Hernandez, and Mr. Keith Jung, representing the SAB staff, presented this item to the Board. The following individuals addressed the Board in support of the San Bernardino City Unified School District (SBCUSD):

- Assembly Members Wilmer Amina Carter and Anthony Adams;
- Mr. John Peukert, Assistant Superintendent of Facilities for the SBCUSD;
- Mr. Terry Tao, representing Atkinson, Andelson counsel, for the SBCUSD;
- Mr. Matt Pettler, representing the SBCUSD as its consultant; and
- Mr. Keith Kajiya, Program Manager for the SBCUSD.

There was a lot of discussion surrounding the availability of funds to be contributed to the SBCUSD's Financial Hardship projects, including the State's ability to capture local bond proceeds for future projects. A proposal was made to adopt staff's Recommendations No. 1 and 2. The Chair requested a roll-call vote and the motion failed per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett		X		
Senator Scott	X			
Senator Simitian				X
Assembly Member Mullin			X	
Assembly Member Fuller	X			
Assembly Member de León		X		
Will Semmes	X			
Kathleen Moore		X		
Rosario Girard				X
Anne Sheehan	X			
Total	4	3	1	2

Motion:Carried ☐Failed ☒

After further discussion, a second motion was made and carried that the Board acknowledge that the SBCUSD received State funds in the amount of \$15 million prior to their Financial Hardship submittal, and that the SBCUSD had a negative fund balance of \$13 million thus qualifying for full Financial Hardship assistance (100 percent State funding). This action also approved for funding 12 Financial Hardship projects and started the 180-day Financial Hardship status clock as of April 23, 2008. Further, the Board directed staff to prepare and present at the May 2008 SAB meeting clarifying regulatory amendments to the Financial Hardship regulations addressing the application submittal process and defining the limitations for claiming encumbrances (50 percent of the total project cost).

INFORMATION/REFERENCE

SAB Meeting Dates for the Calendar Year 2008

School Facility Program Workload List - Applications Received Through April 4, 2008

Deferred Maintenance Program Unfunded List as of March 26, 2008

Facility Hardship/Rehabilitation Approvals Without Funding List as of March 26, 2008

Emergency Repair Program – Applications Received Through April 1, 2008

CLOSED SESSION

At 8:05 p.m. and in accordance with Section 11126(a)(1) of the Government Code, the Board convened into closed session for the purpose of discussing a matter relating to personnel.

Upon conclusion of the closed session, the Board reconvened into open session at 8:16 p.m. and announced that Ms. Mavonne Garrity accepted a position with Senator Torlakson effective May 9, 2008. A motion was made and carried to accept Ms. Garrity's resignation.

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 8:19 p.m.

ROB COOK, Executive Officer